

BILL ANALYSIS

H.B. 1124
By: Muñoz, Jr.
Judiciary & Civil Jurisprudence
Committee Report (Unamended)

BACKGROUND AND PURPOSE

There are concerns that patients are having their out-of-network policy benefits undermined by insurance carrier practices of intimidating or coercing a provider or terminating a provider's contract for making an out-of-network referral. It is reported that, although this conduct is prohibited, the monetary consequences of engaging in the prohibited activity do not deter insurance carriers from such conduct. H.B. 1124 seeks to discourage, and increase the possible monetary consequences of, such conduct by making a health insurance carrier liable for damages for harm to an insured caused by a violation of certain laws.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 1124 amends the Civil Practice and Remedies Code to make a health insurance carrier liable for damages for harm to an insured caused by a violation of any of the following statutory provisions applicable to preferred provider benefit plans:

- a provision prohibiting an insurer from terminating, or threatening to terminate, an insured's participation in a plan solely because the insured uses an out-of-network provider;
- provisions relating to protected communications by preferred providers;
- a provision requiring an insurer to provide a practitioner whose participation in a plan is being terminated with an expedited review and certain information relating to the termination on request; or
- a provision prohibiting an insurer from requiring a physician or health care provider to provide a notification form stating that the physician or provider is an out-of-network provider to a patient, or a person designated by the patient, if the form contains additional information that is intended, or is otherwise required to be presented in a manner that is intended, to intimidate the patient.

H.B. 1124 makes statutory provisions relating to limitations on a cause of action against a health insurance carrier inapplicable to a cause of action under the bill's provisions. The standards for liability under the bill's provisions create no obligation on the part of a health insurance carrier to provide to an insured or enrollee treatment which is not covered by the health care plan of the

entity.

EFFECTIVE DATE

September 1, 2019.